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Belarus Economic and Agricultural Production Update

Report Categories:

Agricultural Situation

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Report Highlights:

The report provides an update on Belarusian agricultural production and trade. While there was trade tension in 2009, particularly in regards to dairy, the Ministers of Agriculture of Russia and Belarus agreed to sustain the trade balance between the countries in sugar, meat and dairy products for 2010 at the previous year's level.

General Information:

Production:

Agricultural Production

According to National Statistics Committee of Belarus during the period of January-August 2009 Belarusian agricultural organizations increased the volume of agricultural production by 6.6 percent versus the same period in 2008. Animal production gained 8.1 percent and plant production - 4.9 percent in comparison with the same period in 2009. However, gross agricultural output fell by 5.5 percent for the given period as a result of a lower grain harvest and some structural changes in the sector.

Plant Production

As of September 1, 2009, Belarusian farmers harvested 8.3 million MT of grain and legumes (3.7 percent lower than that of last year) from 97.3 percent of sown area. The average grain yield is 3.73 MT/ha or 1.3 MT/ha less than last year.

Belarusian provinces harvested 750, 300 MT of rape seed (23.4 percent more than in 2008) on 95.3 percent of sown area. The average yield is 2.3 MT/ha.

In September, the provinces continue to procure fodder. By September 1, farmers cut 1.2 million MT of hay, or 17.8 percent decrease from the same period of last year. Total procurement of fodder is estimated at 6.8 million tons.

Animal Breeding

By September 1, 2009, the livestock inventories have increased by 2 percent or 79,100 heads, including cows - by 16.6 thousand heads or by 1.4 percent versus the same date in 2008. Pig stock increased during the same period by 77.1 thousand heads, or by 2.7 percent.

In January-August 2009, agricultural farms slaughtered 84.7 thousand MT or 12.6 percent more cattle and poultry, boosted milk production by 303.2 thousand MT or 8.4 percent. Egg production for the reported period has increased by 51.7 million pieces or by 3.5 percent.

Table 1. Belarus: Main Socio-Economic Indicators, Jan.-Aug., 2009

	January-August 2009	Jan.-Aug. 2009 as of % to Jan.-Aug 2008
Gross Domestic Product (estimate), bln. rubles	85990.5	99.5
Industrial output, bln. rubles	79904.9	95.4
Production of consumer goods, bln. rubles	18308.6	99.3
Food	9690.8	105.4
non-food	7417.8	92.5
Investments in fixed capital, bln. rubles, including:	26557	116.9
in building and assembly works	12651.3	124
Dwellings put in place from all sources of financing, 1,000 square meters of total floor space, including	3524.3	114.8
in rural localities and small urban areas	1504	116.1
in rural localities	1040.4	106.6
Agricultural output in farms of all types (estimates), bln. rubles	17561.1	103.3
in agricultural organizations ¹⁾	N/A	106.6
in household plots	N/A	95
Agricultural output in agricultural organizations ²⁾ , 1,000 MT		
grain harvested in initially recorded weight (as of 08.11.09)	8324.5	96.3
livestock and poultry for slaughter (live weight)	755	112.6
production of milk	3900.7	108.4
production of eggs, mln. pieces	1505.3	103.5
Freight transportation, mln. tons	154.8	92.9
Freight turnover, mln. tons/km	33917.9	86.3
Retail turnover, bln. rubles	35385.6	102.7

Number of unemployed, registered with agencies for labor, employment and social protection (end of reference period), thousand. persons	44.6	105.4
as per cent of economically active population	1	
Consumer price index	N/A	107.5 ³⁾
Industrial producer price index, including	N/A	108.1 ³⁾
for capital goods	N/A	109.6 ³⁾
<i>Source: National Statistics Committee of Belarus</i>		

- 1) For all organizations, engaged agricultural activity.
2) For organizations covered under current procedure
3) Data for the end of period to December of previous year

Table 2. Belarus: Trade Foreign Balance in Current Prices, Jan.-Jul. 2008-2009, million \$.

	January- July, 2008	January- July, 2009	January- July, 2009 as % of January- July, 2008
Trade turnover	43 990.10	26 330.30	59.9
Exports	20 461.20	11 022.40	53.9
Imports	23 528.90	15 307.90	65.1
Balance	-3 067.70	-4 285.50	
Including with			

CIS countries	25 353.20	14 540.10	57.4
Exports	8 957.50	4 834.50	54
Imports	16 395.70	9 705.60	59.2
Balance	-7 438.20	-4 871.10	
Including:			
Russia	21 513.60	12 427.20	57.8
Exports	6 578.70	3 521.00	53.5
Imports	14 934.90	8 906.20	59.6
Balance	-8 356.20	-5 385.20	
Ukraine	3 019.10	1 522.10	50.4
Exports	1 760.30	847.3	48.1
Imports	1 258.80	674.8	53.6
Balance	501.5	172.5	
Excluding CIS countries	18 636.90	11 790.20	63.3
Exports	11 503.70	6 187.90	53.8
Imports	7 133.20	5 602.30	78.5
Balance	4 370.50	585.6	
Including			
Germany	2 006.70	1 599.80	79.7
Exports	522.9	409.2	78.3
Imports	1 483.80	1 190.60	80.2
Balance	-960.9	-781.4	
<i>Source: National Statistics Committee of Belarus</i>			

**Table 3. Belarus: Foreign Trade of Agricultural Commodities. Jan-Jul.. 2009.
versus Jan.-Jul. 2008, in million \$.**

	Jan-July. 2009	Jan-Jul.. 2008
Export	1186.7	1288.3
Share of agricultural commodities in total export volume. %	10.8	6.3

Share of agricultural commodities in export of consumer goods. %	56.1	48.2
Import	870.4	1132.9
Share of agricultural commodities in total import volume. %	5.7	4.8
Share of agricultural commodities in import of consumer goods. %	36.8	36.5
<i>Source: National Statistics Committee of Belarus</i>		

Table 4. Belarus: Agricultural Production Per Capita. kg

	2000	2002	2004	2005	2006	2007	2008
Grains	485	603	714	657	609	744	931
Potatoes	871	748	1008	837	856	901	904
Sugar beet	147	115	314	314	409	374	416
Vegetables	138	152	207	205	223	222	237
Meat (slaughter weight)	60	62	64	71	79	84	87
Milk	449	481	524	581	606	608	643
Eggs. pieces	329	294	300	317	343	333	342
<i>Source: National Statistics Committee of Belarus</i>							

Table 5. Belarus: Sown Area for Agricultural Crops in the Farms of All Types. 1.000 hectares.

	2002	2004	2005	2006	2007	2008
Total sown area	5656	5541	5473	5551	5592	5612
Total grains and legumes	2459	2390	2314	2404	2567	2576
of which:						
winter grains	1154	1120	1085	1041	1231	1300
spring grains and legumes	1305	1270	1229	1363	1336	1276
Fibre flax	68	79	78	75	70	80
Sugar beet	53	86	100	108	96	93
Potatoes	550	509	467	437	415	398
Vegetables	87	94	89	95	90	89
Forage crops	2346	2247	2289	2309	2143	2075
<i>Source: National Statistics Committee of Belarus</i>						

Table 6. Belarus: Gross Harvest of Agricultural Crops in Farms of All Types. 1,000 MT

	2002	2004	2005	2006	2007	2008
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Grains and legumes	5990	7016	6421	5923	7216	9015
Flax fibre	26	57	50	29	39	61
Sugar beet	1146	3088	3065	3978	3626	4030
Potatoes	7421	9902	8185	8329	8744	8749
Vegetables	1507	2035	2007	2173	2153	2295
Fruit and berries	478.3	357.6	381.6	716.7	419.6	594.7
Source: <i>National Statistics Committee of Belarus</i>						

Table 7. Belarus: Livestock and Poultry in Farms of All Types. 2001-2009. 1.000 heads

Years	Cattle		Pigs	Poultry
	total cattle	Including cows		Mln. heads
2001	4221	1845	3431	27.4
2003	4005	1716	3329	25.2
2005	3963	1613	3407	25.1
2006	3980	1565	3545	28.5
2007	3989	1506	3642	28.7
2008	4007	1459	3598	29.4
2009	4131	1452	3705	31.2
Source: <i>National Statistics Committee of Belarus</i>				

Table 8. Belarus: Production of Livestock Products in Farms of All Types. 2000-2008.

Years	Sales of livestock and poultry	Production	
	for slaughter (live weight).		
	1.000 MT	milk. 1.000 MT	eggs. mln. pieces
2000	854	4490	3288
2002	883	4773	2923
2004	930	5149	2950
2005	1024	5676	3103
2006	1121	5896	3337
2007	1176	5904	3228
2008	1209	6225	3312
Source: <i>National Statistics Committee of Belarus</i>			

Outlook for Trade with Russia

Ministers of Agriculture of Russia and Belarus, Elena Skrynnik and Semen Shapiro have agreed that the export/import balance between the countries for 2010 in sugar, meat and dairy products will be sustained at the 2009 level.

According to the agreement, in 2010 Belarusian agricultural producers are planning to export to Russia 2.8 million MT of dairy products, including 116,000 MT of cheese and cottage cheese, 50,000 MT of butter and 84,000 MT of milk. In turn, Russia will export to Belarus 60,000 MT of milk and dairy products.

Initially Belarus intended to export 110,000 MT of milk and 100,000 MT of cheese and cottage cheese to Russia. However, the proposal resulted in Russia-Belarus “milk” conflict in July when Head of the Federal Service for Consumer Protection and Human Well-being (Rospotrebnadzor) Dr. Gennadiy Onishchenko restricted imports for more than thousand items of Belarusian dairy products. The products, allegedly, were not in compliance with recently adopted technical regulation for dairy products. As part of a compromise to restart trade, export volumes for 2009 in Belarusian milk were reduced to 70,000 MT, but compensated by increasing of cheese and cottage cheese volumes that were set at 132,000 MT. In June 2009, Minister of Agriculture of the Russian Federation Elena Skrynnik stated the Russian policy is “less milk shipments, but more cottage cheese, cheese and butter.”

Exports of sugar from Belarus to Russia in 2010 will be sustained at the same level as in 2009 and is estimated at 150,000 MT. Belarus will export to Russia 145,000 MT of meat and meat products, including: 20,000 MT of pork, 90,000 MT of beef, 8,000 MT of poultry and 27,000 MT of other meat products. Russia will export to Belarus about 3,000 MT of poultry and products.